

Message Text

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PAGE 01 LUXEMB 00207 020743Z

21

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01 IO-14

ISO-00 AID-20 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01

OMB-01 NSC-07 SS-20 STR-08 CEA-02 DODE-00 PM-07 H-03

L-03 PA-04 PRS-01 USIA-15 FEA-02 SCI-06 INT-08 SAJ-01

DRC-01 /251 W

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R 020700Z APR 74

FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 3835

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS UNN

C O N F I D E N T I A L LUXEMBOURG 0207

E.O. 11652: GDS

TAGS: EFIN, EEC, LU

SUBJECT: PRIME MINISTER WERNER'S VIEWS ON GOLD

DURING APRIL 1 CALL ON THE PRIME MINISTER, I ASKED
WERNER ABOUT THE STATUS OF EC DELIBERATIONS ON GOLD.
WERNER REPLIED THAT, IN VIEW OF THE BALANCE OF PAY-
MENTS DIFFICULTIES FACING MANY EC NATIONS AS A RESULT
OF THE INCREASED PRICE OF OIL, SOMETHING HAD TO BE DONE
TO UNBLOCK THE GOLD NOW IN CENTRAL BANKS. WERNER
ADDED THAT ALTHOUGH HE STILL PREFERRED AN INTERNATIONAL
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PAGE 02 LUXEMB 00207 020743Z

SOLUTION TO THE ROLE OF GOLD, HE WOULD SUPPORT A

REGIONAL SOLUTION IF INTERNATIONAL AGREEMENT COULD NOT BE ACHIEVED. HE REITERATED HIS BELIEF THAT GOLD SHOULD PLAY SOME ROLE IN AN INTERNATIONAL MONETARY AGREEMENT MERELY BECAUSE IT IS UNREALISTIC TO THINK OTHERWISE, ALTHOUGH ITS ROLE SHOULD BE SUBSTANTIALLY DIMINISHED. ALTHOUGH NONCOMMITAL ON THE EXACT NATURE OF A GOLD SOLUTION, HE APPEARED TO FAVOR ALLOWING CENTRAL BANKS TO BUY AND SELL GOLD AT FREE MARKET RATES. HE ALSO MENTIONED THE POSSIBILITY OF ALLOWING INTRA-E.C. SETTLEMENTS IN GOLD AMONG E.C. CENTRAL BANKS AT A PRICE OF FROM \$150 TO \$200 PER OUNCE. FARKAS

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30 JUN 2005

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TAGS: EFIN, LU, EEC, (WERNER, PIERRE)
To: STATE
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